

David Lightman, *McClatchy Newspapers*

WASHINGTON - The Obama administration worked furiously Wednesday to cobble together an unusual coalition of Republicans and centrist Democrats in both houses of Congress as its best bet to win enactment of its tax-cut deal.

Democratic liberals, who dominate the party, remained angry at extending tax reductions for the wealthy. However, prospects that the administration's strange-bedfellows coalition would prevail appeared good, but fragile.

"I'm afraid they do have the votes," said Rep. Barney Frank, D-Mass., a veteran liberal.

One development that could make the White House's task easier would be the support of House Speaker Nancy Pelosi, D-Calif., a champion of the liberal bloc. She's been highly critical of the tax benefits for the wealthy, but she hasn't yet said how she'll come down on the overall plan.

The administration is fighting to extend all Bush-era tax cuts for two years, though President Barack Obama and Democratic liberals had wanted to continue only the reductions for families that earn less than \$250,000 annually. All the cuts expire Dec. 31.

The plan also would provide funding for extended jobless benefits, which expired last week, for 13 months, cut payroll taxes from 6.2 percent to 4.2 percent for one year and impose an unusually low 35 percent tax on individual estates of more than \$5 million.

Democratic senators emerging from a lengthy meeting with administration officials Wednesday suggested that some changes could be made to the plan, but no major revisions appeared imminent. It wasn't clear what changes could be made to mollify the liberals without losing GOP support.

The White House instead pressed hard for its compromise, touting its economic benefits and announcing prominent new Democratic supporters such as Charlotte, N.C., Mayor Anthony

Foxx, Los Angeles Mayor Antonio Villaraigosa and Sen. Jim Webb, D-Va.

It also dispatched Vice President Joe Biden to meet with angry Democrats from the House of Representatives and its economic experts to huddle with senators.

The still-unwritten legislation is expected to move first through the Senate, where at least 39 of the 42 Republicans, independent Joe Lieberman of Connecticut and at least seven moderate Democrats are viewed as sympathetic to extending all the rates. Debate could begin as early as Thursday.

"The president has done what he had to do," said Senate Budget Committee Chairman Kent Conrad, D-N.D. Webb called the package "the ultimate stimulus plan."

White House economic adviser Larry Summers warned that if Congress fails to pass the compromise, and the tax cuts expire and jobless benefits lapse, it "would materially increase the risk that the economy would stall out and that we would have a double-dip" recession.

Senate Democrats met with White House Budget Director Jacob Lew, economic adviser Gene Sperling and others. Many senators were unconvinced, though not adamantly opposed.

"While I'm inclined to vote no by what I saw yesterday (Tuesday), things are in flux," said Sen. Tom Harkin, D-Iowa.

The administration's bigger challenge looms in the House. Though Democrats control 255 of the 435 seats for about another month, the liberals who dominate the caucus have been sharply critical.

"The Republicans successfully held unemployed Americans hostage to give even more tax cuts to millionaires and billionaires. This plan is irresponsible, and I will oppose it," said Rep. Betty McCollum, D-Minn., a member of the Budget and Appropriations committees.

If all 179 House Republicans support the package - still no certainty - 39 Democrats would need to join them to form a majority.

Fifty-four Democrats are part of the moderate House Blue Dog coalition, whose members generally have backed extending all the cuts. But they've also been the most fervent advocates of reducing the federal budget deficit, often criticizing their own leadership for not doing enough about that. The Obama-GOP deal would add more than \$900 billion to the deficit over two years.

Many Blue Dogs are supporting the deal.

The jobless benefits and payroll tax cut "will go to people who really need it," said Rep. Rick Boucher, D-Va. "I'm still concerned about the deficit, but we're still trying to recover from a great economic crisis, and we need the stimulus."

Some remained uncertain, trying to weigh the economic danger of increasing the deficit against the benefits of its stimulus.

"I've got some serious problems with this because of the deficit," said Rep. Bobby Bright, D-Ala. "There's no question, no matter how you try to explain it, that this will add substantially to the deficit."

Boucher, an 14-term veteran, and Bright, a freshman, both lost their re-election bids in November, as did nearly half the Blue Dog caucus.

The administration's sales job would get a lot easier if Pelosi would go along. Presumably, her support would bring along other party leaders and provide at least a dozen more votes, while sending a strong signal to wavering Democrats.

However, Democratic leaders face two problems. Their caucus members are upset at the role their leaders played - or didn't play - in the negotiations, and they're particularly unhappy about the estate tax.

"Members are really upset that there didn't seem to be more negotiation. There's a real question about how much our leadership knew in advance and how much they didn't know," said Rep. Dale Kildee, D-Mich., a 17-term House veteran.

The addition of the estate tax has a salt-in-the-wound feeling.

"The estate tax has nothing to do with compromise," said Rep. Bill Pascrell, D-N.J.

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